

FISCAL NOTE

HB 569 - SB 894

March 8, 2001

SUMMARY OF BILL: Amends the retirement law by allowing members with service in different classifications to make back payment with interest to have all service treated as in the same classification at time of separation.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures - \$192,000 Annual Amortized Cost

Increase Local Govt. Expenditures*-

\$48,000 Annual Amortized Cost

\$45,000 Annual Amortized Cost / Permissive

Other Fiscal Impact - Increase Federal/Other Expenditures -

\$63,000 Annual Amortized Cost

Estimate assumes:

- total lump sum pension liability of \$3,190,000
- a 20-year amortization of the lump sum liability
- a 60%-40% ratio between state and local funding

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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